

# MILKFOOD LIMITED

## TERMS AND CONDITIONS OF APPOINTMENT OF INDEPENDENT DIRECTORS

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Terms and conditions of appointment (hereinafter appointment includes reappointment wherever applicable) of Independent Directors of the Milkfood Limited (“Company”) in accordance with the requirements of Schedule IV to the Companies Act, 2013 and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015:

Terms and conditions of appointment of Independent Directors:

### 1. APPOINTMENT & TENURE

Currently, the Company has 3 (Three) Independent Directors (“IDs”). Their tenure is as under:

1. Mrs. Gita Bawa	w.e.f. 30 <sup>th</sup> May, 2021 to 29 <sup>th</sup> May, 2026
2. Mr. Anil Girotra	w.e.f. 13 <sup>th</sup> Feb., 2020 to 12 <sup>th</sup> Feb., 2025
3. Mrs. Namita Swain	w.e.f. 7 <sup>th</sup> July, 2023 to 6 <sup>th</sup> July, 2028

The appointments of IDs will be based on a balance mix of skills, expertise and capabilities required for effective composition, skills, constituency and governance of the Board. Further, appointment including reappointment is and shall be subject to Companies Act, 2013 (“Act”) and the SEBI (Listing Obligations and Disclosure Requirements) 2015 (“Listing Regulations”), as amended from time to time and also be subject to the maximum permissible Directorships as per the provisions of the Act and the Listing Regulations.

Independent directors shall not be liable to retire by rotation. Re-appointment of Independent director shall also be based on result of performance evaluation process evaluating performance, and recommendation of Nomination and Remuneration Committee, subject to approval of Board and Shareholders.

The relationship of IDs with the Company will be that of an office-holder and it is not a contract of employment with the Company.

### 2. BOARD COMMITTEES

The Board has constituted several Committees of Directors, with the adequate delegation of powers. Subject to the applicable regulations and as advised by the Board, IDs may be required to serve on one or more Committees of the Board established by the Company or any such Committee that may be set up in the future. These Committees meet periodically as per business requirements or as may be mandated by law.

### 3. FAMILIARISATION PROGRAMME FOR INDEPENDENT DIRECTORS

Every new Independent Director attends an orientation program. Further, on a continuing basis, presentations are made by the Executive Directors/ Senior Managerial Personnel to

the Directors. The presentations cover an overview of the nature of the industry in which the Company operates, the Company's strategies, organization structure, business model, operations, functions, risk management, roles, rights and responsibilities of Directors, etc. Further, periodic presentations are also made on the business of the Company and updates on all applicable laws.

#### **4. TIME COMMITMENT**

We anticipate IDs time commitment involving attendance at all Board meetings, Committee meetings of which they may be appointed as a member, and the General meetings of the members of the Company.

In terms of the Act and Listing Regulations, IDs are required to hold at least one separate meeting without the attendance of Non-IDs and members of management. All IDs shall strive to be present at such meeting.

#### **5. FUNCTIONS, DUTIES, AND LIABILITIES**

All IDs will be required to act in accordance with the Articles of Association of the Company ('AOA') and subject to the provisions of the Act. Schedule IV of the Act ('Code for Independent Directors') stipulates detailed functions, duties, and guidelines for the professional conduct of Independent Directors. Further, Section 166 of the Act prescribes duties of Directors in general.

IDs may seek independent professional advice from an outsider expert when considered necessary, with the approval of the Chairman/ Executive Director, at the Company's expense, on any matter connected with the discharge of their responsibilities as an Independent Director.

As per Section 149(12) of the Act and Regulation 25 of the Listing Regulations, an Independent Director shall be held liable, only in respect of such acts of omission or commission by a company which had occurred with his knowledge, attributable through Board processes, and with his consent or connivance or where he had not acted diligently. Moreover, Regulation 25 of Listing Regulations prescribes the obligations of Independent Directors.

#### **6. MEMBERSHIPS ON BOARD OF OTHER COMPANIES**

It is expected that IDs should not serve on the Boards of competing companies.

#### **7. D & O INSURANCE**

The Company shall maintain Directors and Officers Liability Insurance Policy ('**D&O Policy**') whenever its applicable.

#### **8. REMUNERATION**

Currently, the remuneration of IDs as approved by the members/ Board is as follows:

##### **a) Sitting fees:**

The sitting fees presently paid to the Independent Director is Rs. 15,000/- per meeting of the Board includes Committee(s) thereof.

**b) Out of pocket expenses:**

IDs will have entitled to the reimbursement of expenses as a conveyance charge for participation in the Board includes Committee(s) meetings of the Company.

**c) Bonus/ESOP's**

IDs will have no entitlement to any bonus during the appointment and will not be able to participate in Employee Stock Option Scheme of the Company.

**9. PERFORMANCE EVALUATION**

Performance of IDs shall be evaluated according to the provisions of the Act/ Listing Regulations and as per the procedure formalized by the Board.

**10. COMPLIANCE WITH VARIOUS CODES OF THE COMPANY**

During their continuation with the Company as a Director, all IDs are expected to conduct themselves in a professional manner and comply with the following:

- Code of Conduct for all members of Board of Directors and Senior Management;
- Code of Conduct for Prevention of Insider Trading;
- Whistle Blower Policy - Vigil Mechanism; and
- Any other code, mechanism, directive, or policy that may be framed by the Company from time to time.

**11. DISCLOSURES**

IDs shall make all statutory disclosures/ confirmations as required to be made under applicable laws including but not limited to:

- Annual/ event-based disclosures as per Act;
- Disclosures under the Listing Regulations;
- Disclosures under the Code of Conduct for Prevention of Insider Trading; and
- Disclosures under the Code of Conduct for Directors and Senior Management.

**12. CONFIDENTIALITY**

All information acquired by IDs during their tenure of appointment is confidential and should not be released, either during the appointment or following termination (by whatever means) to third parties without prior approval in writing from the Board or the Company Secretary unless required by law or by the rules of any stock exchange or regulatory body. On reasonable request, IDs shall surrender any documents and other materials made available to them by the Company during their association as Independent Director.

IDs attention is also drawn to the requirements under the applicable regulations and the Company's Share Dealing Code which concern the disclosure of price sensitive information and dealing in the securities of Company. Consequently, IDs should avoid making any statements or performing any transactions that might risk a breach of these

requirements without the prior clearance.

### **13. TERMINATION**

Notwithstanding other provisions, the appointment may be terminated in accordance with the provisions of the Articles of Association of the Company or on failure to meet the parameters of independence as defined in section 149(6) or on the occurrence of any event as defined in section 167 of the Companies Act, 2013.

Continuation of IDs appointment is contingent on getting re-elected by the shareholders in accordance with provisions of Companies Act, 2013 and the Articles of Association of the Company, from time to time in force. IDs will not be entitled to compensation if the shareholders do not re-elect IDs at any time.

Upon termination or resignation for any reason, duly intimated to the Company by serving a written notice to the Board, IDs will not be entitled to any compensation for loss of office.

### **14. GENERAL**

The terms of appointment of IDs, are subject to the extant provisions of the Act, Listing Regulations, AOA, and other applicable laws, if any. The Board shall have power to amend any of the provision(s) or Term(s) and Condition(s) or substitute any of the provisions with a new provision or replace it entirely according to subsequent modification(s) / amendment(s) to applicable Listing Regulations or Companies Act, 2013. However, any amendment in the applicable laws, Act and Listing Regulation shall be binding even if not incorporated in this document.

(Updated consequent to the Board Meeting held on July 20, 2023)